



November 7, 2007

Representative Steve Bieda, Chair
House Tax Policy Committee
Michigan House of Representatives
PO Box 30014
Lansing, MI 48909

Rep. Bieda and Tax Policy Committee members:

Let me start off by introducing myself as the new Senior Vice President for Government Relations at the Traverse City Area Chamber of Commerce. The Chamber is the third largest chamber of commerce in Michigan, representing over 2500 members across five counties in northwest Michigan. I look forward to working with you and the members of the committee in my new role.

The Traverse City Area Chamber of Commerce supports SB 845. This bill is a step in the right direction towards the elimination of the taxes imposed through PA 94 of 2007. The delay of the effective date does not relieve those businesses subject to the tax of the costs associated with implementing the requirements set forth by the tax, yet allows more time for a thoughtful solution.

Overall, the Traverse City Area Chamber of Commerce supports the repeal of the new tax on the services outlined in section 3d of the use tax act (MCL 205.93d). We are steadfast in our opposition to this recently enacted tax, as it seems to have no basis in policy, but is random in application, creates an additional burden for small businesses to administer, lays the groundwork for expanded taxation in the future, and is detrimental to the economic and social growth of our state.

The Chamber continues to feel the most responsible way to deal with the hole left in the budget by the elimination of the revenues generated from section 3d, is a combination of meaningful and structural government reforms combined with additional revenues from current tax vehicles. Alternative revenues will need to be part of the solution. We are open to considering options for replacement revenue as long as it is based on current taxes or fees and does not create additional burdens through new regulations.

Attached for the record is the position of the Northwest Michigan Regional Chambers Alliance, which the Traverse City Area Chamber is a member, opposing the new tax on services.

Thank you for your leadership as you work for a stronger Michigan.

Sincerely,

A handwritten signature in black ink, appearing to read "Jamie Callahan". The signature is fluid and cursive, with the first name "Jamie" and last name "Callahan" clearly distinguishable.

Jamie Callahan
Senior Vice President
of Government Relations

encl.